

AMENDED IN SENATE JULY 20, 2001

AMENDED IN SENATE JULY 19, 2001

AMENDED IN SENATE JULY 16, 2001

CALIFORNIA LEGISLATURE—2001–02 SECOND EXTRAORDINARY SESSION

SENATE BILL

No. 18

Introduced by Senator Burton

May 17, 2001

An act to amend Sections 80010, 80100, 80110, 80122, ~~80130~~, 80132, 80134, and 80200 of, and to add Section 80131 to, the Water Code, relating to electric power, making an appropriation therefor, and declaring the urgency therefor, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 18, as amended, Burton. Department of Water Resources: electricity: bond financing order.

(1) Existing law authorizes the Department of Water Resources to contract with an electrical corporation to transmit or provide for the transmission of, and distribute the power and provide billing, collection, and other related services, as the agent of the department, on terms and conditions that reasonably compensate the electrical corporation for its services, and requires the commission, at the request of the department, to order such actions. Existing law authorizes the department to issue revenue bonds for certain purposes not to exceed a certain amount, containing specified terms and conditions, upon authorization by written determination of the department and with the approval of the Director of Finance and the Treasurer. Existing law permits the department to have the Public Utilities Commission issue

finance orders to recover revenue requirements, and delegates to the department the authority to determine if the revenue requirements are just and reasonable. Existing law requires the department, before the issuance of bonds, to establish a mechanism to ensure that the bonds will be sold at investment grade ratings and repaid on a timely basis from pledged revenues. Certain of these provisions enacted by Senate Bill 31 of the 2001–02 First Extraordinary Session become effective on August 13, 2001.

This bill would require the bond repayment mechanism to include a DWR Bond Set-Aside, as defined, fixed by an irrevocable Public Utilities Commission bond financing order, sufficient to pay the costs of issuing, servicing, and retiring the bonds, and to be adjusted as required, applicable to all electric power delivered in this state by an electrical corporation subject to the jurisdiction of the commission. The bill would require the total of DWR Bond Set-Asides to be designated as a separate rate component of a retail end user’s bill for electrical services and would require any DWR Bond Set-Aside to consist of and be derived from a portion of the rate levels in effect on August 31, 2001. The bill would establish the DWR Bond Repayment Fund, to be continuously appropriated to the department and available for the purpose of the payment of principal, premium, if any, and interest on bonds and associated issuance costs, thereby making an appropriation. The bill would require the revenues from the DWR Bond Set-Aside to be deposited in the DWR Bond Repayment Fund.

(2) Existing law requires the Department of Water Resources to establish and revise certain revenue requirements relating to the purchase and sale of electric power and to advise the commission as the department determines to be appropriate.

This bill would define the term “revenue requirements.” The bill would entitle the commission to any information necessary to review the revenue requirements of the department and, would require the commission to conduct at least one public hearing and provide an opportunity for public comment on the revenue requirements prior to their adoption.

(3) This bill would revise certain of the provisions enacted by SB 31 of the 2001–02 First Extraordinary Session and make other conforming changes.

(4) A violation of an order of the Public Utilities Commission is a crime. The bill by requiring specified financing orders and related



orders by the commission would change the definition of a crime and thus impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(5) The bill would declare it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 80010 of the Water Code is amended to
2 read:

3 80010. As used in this division, unless the context otherwise
4 requires, the following terms have the following meanings:

5 (a) “Administrative costs” means those reasonable expenses,
6 including any consulting, legal, technical, or engineering services,
7 incurred by the department in administering this division. The
8 administrative costs of the department incurred in administering
9 this division may only be paid for from appropriations by the
10 Legislature. The department may not incur administrative costs in
11 excess of those appropriations.

12 (b) “Bonds” means bonds, notes, or other evidences of
13 indebtedness issued solely for the purposes of paying the cost of
14 electric power and transmission, scheduling, and other related
15 expenses incurred by the department on and after the effective date
16 of this division, or to reimburse expenditures from the fund for
17 those purposes; repaying to the General Fund any advances made
18 to the department from appropriations made to the fund pursuant
19 hereto or hereafter for purposes of this division, any advances
20 made to the department from the Water Resources Electric Power
21 Fund, and General Fund moneys expended by the department
22 pursuant to the Governor’s Emergency Proclamation dated
23 January 17, 2001; establishing or maintaining reserves in
24 connection with the bonds; costs of issuance of bonds or incidental

1 to their payment or security; capitalized interest; or to renew or
2 refund any bonds.

3 (c) “Commission” means the Public Utilities Commission.

4 (d) “DWR Bond Set-Aside” means a rate to recover a separate
5 dedicated revenue stream fixed by a commission bond financing
6 order pursuant to Section 80131. The total of all DWR Bond
7 Set-Asides shall be designated as a separate rate component of a
8 retail end user’s bill for electrical services.

9 (e) “Electrical corporation” has the same meaning as that term
10 is defined in Section 218 of the Public Utilities Code.

11 (f) “Fund” means the Department of Water Resources Electric
12 Power Fund established by Section 80200.

13 (g) “Local publicly owned electric utility” includes the entities
14 defined in subdivision (d) of Section 9604 of the Public Utilities
15 Code and publicly owned utilities that provide electricity.

16 (h) “Power” means electric power and energy, including, but
17 not limited to, capacity and output, or any of them.

18 (i) “Public utility” has the same meaning as that term is
19 defined in Section 216 of the Public Utilities Code.

20 (j) (1) “Revenue requirements” means only the revenue
21 necessary to pay the actual costs for any of the following:

22 (A) Purchasing power.

23 (B) Contracting for the purchase of power.

24 (C) Administrative costs.

25 (D) Purchasing natural gas as required pursuant to a contract
26 for the purchase of power.

27 (E) Using transmission or distribution facilities prior to the
28 delivery or utilization of purchased power, including scheduling
29 and other related expenses.

30 (F) Amounts to enable the department to comply with Section
31 80134.

32 (2) “Revenue requirements” does not include costs incurred
33 under conservation, load management, or other programs
34 implemented by the commission, the department, or any other
35 entity, except those costs incurred pursuant to the “20/20 Energy
36 Rebate Program” established pursuant to the Governor’s
37 Executive Order D-30-01 for the summer 2001, and any other
38 contracts for load management or reduction entered into by the
39 department prior to June 1, 2001.

40 SEC. 2. Section 80100 of the Water Code is amended to read:

80100. Upon those terms, limitations, and conditions as it prescribes, the department may contract with any person, local publicly owned electric utility, or other entity for the purchase of power on such terms and for such periods as the department determines and at such prices the department deems appropriate taking into account all of the following:

(a) The intent of the program described in this division is to achieve an overall portfolio of contracts for energy resulting in reliable service at the lowest possible price per kilowatthour.

(b) The need to have contract supplies to fit each aspect of the overall energy load profile.

(c) The desire to secure as much low-cost power as possible under contract.

(d) The duration and timing of contracts made available from sellers.

(e) The length of time sellers of electricity offer to sell such electricity.

(f) The desire to secure as much firm and nonfirm renewable energy as possible. Prior to commencement of the program described in this division, the department shall assess the need for power in the state in consultation with the Public Utilities Commission and local publicly owned electric utilities and electrical corporations in the state and such other entities in the state as the department determines are appropriate. The department may also enter into options or forward contracts with respect to the foregoing, and contract with any person, local publicly owned electric utility, or other entity for transmission and scheduling.

SEC. 3. Section 80110 of the Water Code is amended to read:

80110. The department shall retain title to all power sold by it to the retail end use customers. The department shall be entitled to recover, at the times necessary, its revenue requirements, and shall advise the commission as the department determines to be appropriate. For purposes of this division and except as otherwise provided in this section, the Public Utilities Commission's authority as set forth in Section 451 of the Public Utilities Code shall apply, except any just and reasonable review under Section 451 shall be conducted and determined by the department. However, the commission shall be entitled to any information necessary to review the revenue requirements of the department

1 and shall conduct at least one public hearing with an opportunity
2 for public comment on the revenue requirements prior to their
3 adoption. The commission may enter into an agreement with the
4 department with respect to charges under Section 451 for purposes
5 of this division, and that agreement shall have the force and effect
6 of a financing order adopted in accordance with Article 5.5
7 (commencing with Section 840) of Chapter 4 of Part 1 of Division
8 1 of the Public Utilities Code, as determined by the commission.
9 In no case shall the commission increase the electricity charges in
10 effect on the date that the act that adds this section becomes
11 effective for residential customers for existing baseline quantities
12 or usage by those customers of up to 130 percent of existing
13 baseline quantities, until such time as the department has
14 recovered the costs of power it has procured for the electrical
15 corporation's retail end use customers as provided in this division.
16 After the passage of such period of time after the effective date of
17 this section as shall be determined by the commission, the right of
18 retail end use customers pursuant to Article 6 (commencing with
19 Section 360) of Chapter 2.3 of Part 1 of Division 1 of the Public
20 Utilities Code to acquire service from other providers shall be
21 suspended until the department no longer supplies power
22 hereunder. The department shall have the same rights with respect
23 to the payment by retail end use customers for power sold by the
24 department as do providers of power to such customers.

25 SEC. 4. Section 80122 of the Water Code is amended to read:
26 80122. The department may do any of the following as may
27 be, in the determination of the department, necessary for the
28 purposes of this division:

29 (a) Hire and appoint employees as required, at salary levels
30 determined by the director to be competitive to attract and retain
31 persons with the necessary expertise and skills. Prior to hiring or
32 appointing an employee at a salary in excess of a salary approved
33 by the Department of Personnel Administration, the director shall
34 submit the proposed salary to the Director of Finance who shall
35 submit it to the Legislature in accordance with Section 27.00 of the
36 annual Budget Act. No excess salary authorized under this section
37 may be paid on or after January 1, 2003. The excess portion of a
38 salary authorized under this section may not be considered salary
39 in the calculation of final compensation for purposes of benefits
40 under the Public Employees' Retirement System.

(b) Engage the services of private parties to render professional and technical assistance and advice and other services in carrying out the purposes of this division, if funds for any of these administrative costs have been appropriated by the Legislature.

(c) Contract for the services of other public agencies.

(d) The State Personnel Board and the Department of Personnel Administration shall assist the department in expediting the hiring of personnel necessary and desirable for the timely and successful implementation and administration of the department's duties and responsibilities pursuant to this division.

~~SEC. 5. Section 80130 of the Water Code is amended to read:~~

~~80130. (a) The department may incur indebtedness and issue bonds as evidence thereof, provided that bonds may not be issued in an amount the debt service on which, to the extent payable from the DWR Repayment Fund, is estimated by the department to exceed the amounts estimated to be available in the DWR Repayment Fund for their payment. The department may authorize the issuance of bonds (excluding notes issued in anticipation of the issuance of bonds and retired from the proceeds of those bonds) in an aggregate amount up to thirteen billion four hundred twenty-three million dollars (\$13,423,000,000). Nothing in this section shall prohibit the department from issuing bonds prior to the effective date of this bill based upon the authorization granted to the department by the provisions of Chapter 4 of the Statutes of the 2001-02 First Extraordinary Session. Refunding of bonds to obtain a lower interest rate may not be included in the calculation of the aggregate amount.~~

~~(b) In addition, before the issuance of bonds in a public offering, the department shall establish a mechanism to ensure that the bonds will be sold at investment grade ratings and repaid on a timely basis from pledged revenues. The mechanism shall include, but is not limited to, a DWR Bond Set-Aside.~~

~~SEC. 6.—~~

SEC. 5. Section 80131 is added to the Water Code, to read:

80131. (a) Whenever the department proposes to issue bonds pursuant to this article, the department shall apply to the Public Utilities Commission for a bond financing order establishing a DWR Bond Set-Aside.

(b) The commission shall, within 30 days from the date of the application, issue a bond financing order establishing a DWR

1 Bond Set-Aside that shall be applicable to all electric power
2 delivered in this state by electrical corporations that are subject to
3 the jurisdiction of the commission and whose customers are
4 deemed to have purchased power from the department pursuant to
5 Section 80104. The revenues from the DWR Bond Set-Aside shall
6 be dedicated to the payment of the obligations of the bonds and no
7 person or entity, including, the electrical corporation delivering
8 energy, shall have any right, title, interest, or claim to any portion
9 of the DWR Bond Set-Aside, except the department or the trustee
10 designated pursuant to Section 80132. To the extent any moneys
11 are received by an electrical corporation pursuant to this section in
12 the process of collection, and pending their payment to the DWR
13 Bond Repayment Fund established in subdivision (i), they shall be
14 segregated by the electrical corporation on terms and conditions
15 established by the department and shall be held in trust for the
16 benefit of the department.

17 (c) The amount of the DWR Bond Set-Aside shall be sufficient
18 to pay the costs of issuing, servicing, and retiring the bonds in
19 accordance with their terms as applied for by the department. The
20 bond financing order shall include a provision for payment of the
21 DWR Bond Set-Aside to the department for deposit in the DWR
22 Bond Repayment Fund within five days of the date of receipt by
23 the electrical corporation.

24 (d) Notwithstanding Sections 455.5 or 1708 of the Public
25 Utilities Code, or any other provision of law, a bond financing
26 order shall be irrevocable and the commission does not have
27 authority to determine, either by rescinding, altering, or amending
28 the bond financing order, or otherwise, that the DWR Bond
29 Set-Aside is unjust or unreasonable, or to in any way reduce or
30 impair the recovery of the DWR Bond Set-Aside, either directly
31 or indirectly, nor shall the amount of revenues arising with respect
32 thereto be subject to reduction, impairment, postponement, or
33 termination until the costs of issuing, servicing, and retiring the
34 bonds, together with the interest thereon, are fully met and
35 discharged. Except as otherwise provided in this division, the State
36 of California does hereby pledge and agree with the owners of and
37 holders of bonds issued pursuant to this article that the state shall
38 neither limit nor alter the DWR Bond Set-Aside, bond financing
39 orders, or any rights thereunder until the costs of issuing,
40 servicing, and retiring the bonds, together with the interest



thereon, are fully met and discharged, provided that nothing contained in this section precludes the limitation or alteration if adequate provision is made by law for the protection of the owners and holders. The department as agent for the state is authorized to include this pledge and undertaking for the state in these obligations.

(e) Notwithstanding any other provision of this section, the commission shall approve the adjustments to the DWR Bond Set-Aside as it determines to be necessary to ensure timely recovery of all revenues required by the pertinent bond financing order, and the costs associated with the provision, recovery, financing, or refinancing thereof, including the costs of issuing, servicing, and retiring the bonds contemplated by the bond financing order.

(f) (1) Bond financing orders issued under this article do not constitute a debt or liability of the state or of any political subdivision thereof, other than the department, and do not constitute a pledge of the full faith and credit of the state or any of its political subdivisions, but are payable solely from the funds provided therefor under this article and shall be consistent with Sections 1 and 18 of Article XVI of the California Constitution. This subdivision shall in no way preclude bond guarantees or enhancements pursuant to this article. All the bonds issued under this article shall contain on the face thereof a statement to the following effect:

“Neither the full faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of, or interest on, this bond.”

(2) The issuance of bonds under this article may not directly, indirectly, or contingently obligate the state or any political subdivision thereof to levy or to pledge any form of taxation therefore or to make any appropriation for their payment.

(g) The commission shall establish procedures for the expeditious processing of applications for bond financing orders, including the approval or disapproval thereof within 30 days of date of the department’s making such an application. The commission shall provide in any bond financing order for a procedure for the expeditious approval by the commission of periodic adjustments to the DWR Bond Set-Aside that are the subject of the pertinent bond financing order, as required by

subdivision (e). The procedures shall require the commission to determine not less frequently than annually whether adjustments to the DWR Bond Set-Aside are required, and for the adjustments, if required, to be approved within 30 days of the date of completion of the review.

(h) Any DWR Bond Set-Aside shall consist of and be derived from a portion of the rate levels in effect on August 31, 2001, and may not result in an increase in those rate levels. This subdivision does not affect any legal authority the commission has for changing rate levels for any other purpose not related to the DWR Bond Set-Aside.

(i) There is hereby established in the State Treasury the DWR Bond Repayment Fund. Notwithstanding Section 13340 of the Government Code, all moneys in the fund are continuously appropriated, without regard to fiscal year, to the department, and shall be available solely for the purpose of the payment of principal, and premium, if any, and interest on all bonds issued under this division and associated issuance costs.

~~SEC. 7.—~~

SEC. 6. Section 80132 of the Water Code is amended to read:

80132. (a) Bonds may be issued by the department upon authorization by written determination of the director of the department with the approval of the Director of Finance and the State Treasurer. The Department of Finance shall notify the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations of its written determination. The bonds shall be sold at such prices and in such manner, and on such terms and conditions, as shall be specified in such determination, and such determination may contain or authorize any other provision, condition, or limitation not inconsistent herewith and such provisions as may be deemed reasonable and proper for the security of the bondholders. Bonds may mature at such time or times, and bear interest at such rate or rates, which may be fixed or variable and be determined by reference to an index or such other method, as shall be specified in such determination. Neither the person executing the determination to issue bonds nor any person executing bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

(b) In the discretion of the department, any bonds may be secured by a trust agreement by and between the department and a corporate trustee, which may be any trust company or bank having trust powers within or without the state, or the State Treasurer. Notwithstanding any other provision of law, the State Treasurer shall not be deemed to have a conflict of interest by reason of acting as such trustee. The department may enter into such contracts or arrangements as it shall deem to be necessary or appropriate for the issuance and further security of the bonds.

(c) Bonds shall be legal investments for all trust funds, the funds of all insurance companies, banks both commercial and savings, trust companies, executors, administrators, trustees, and other fiduciaries, for state school funds, pension funds, and, for any funds that may be invested in county, school, or municipal bonds.

(d) Notwithstanding that bonds may be payable from a special fund, they shall be deemed to be negotiable instruments for all purposes.

(e) Any and all bonds, their transfer and the income therefrom shall at all times be free from taxation of every kind by the state and by all political subdivisions of the state.

(f) Bonds shall not be deemed to constitute a debt or liability of the state or of any political subdivision thereof, other than the department, or a pledge of the full faith and credit of the state or of any such political subdivision but shall be payable solely from the funds herein provided for. All bonds shall contain a statement to the following effect:

“Neither the full faith and credit nor the taxing power of the State of California is pledged to the payment of the principal of or interest on this bond.”

The issuance of bonds shall not directly or indirectly or contingently obligate the state or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

(g) The department may pledge or assign the revenues from a DWR Bond Set-Aside, and rights to receive the same, and moneys on deposit in the DWR Bond Repayment Fund and income or revenue derived from the investment thereof, as security for the repayment of the bonds. It is the intention of the Legislature that any pledge of moneys, revenues, or property made by the

1 department shall be valid and binding from the time when the
2 pledge is made; that the DWR Bond Set-Aside so pledged and
3 moneys derived therefrom thereafter collected from retail end use
4 customers, or paid directly or indirectly to or for the account of the
5 department, is hereby made, and shall immediately be, subject to
6 the lien of such pledge without any physical delivery thereof or
7 further act; that the lien of any such pledge shall be valid and
8 binding as against all parties having claims of any kind in tort,
9 contract, or otherwise against the department irrespective of
10 whether such parties have notice thereof, and that no resolution or
11 instrument by which such pledge or lien created pursuant to this
12 subdivision is expressed, confirmed, or approved need be filed or
13 recorded in order to perfect such pledge or lien. The provisions
14 hereof shall in all respects govern the creation, perfection, priority,
15 and enforcement of any lien created hereby or hereunder.

16 ~~SEC. 8.—~~

17 *SEC. 7.* Section 80134 of the Water Code is amended to read:

18 80134. (a) The department shall, and in any obligation
19 entered into pursuant to this division may covenant to, at least
20 annually, and more frequently as required, establish and revise
21 revenue requirements sufficient, together with any moneys on
22 deposit in the fund, to provide all of the following:

23 (1) The amounts necessary to pay the principal of and
24 premium, if any, and interest on all bonds as and when the same
25 shall become due if there are insufficient funds in the DWR Bond
26 Repayment Fund.

27 (2) The amounts necessary to pay for power purchased by it and
28 to deliver that power to purchasers as specified in subparagraphs
29 (A), (B), (D) and (E) of paragraph (1) of subdivision (j) of Section
30 80010, in the amounts and at the times the same shall become due.

31 (3) Reserves in such amount as may be determined by the
32 department from time to time to be necessary or desirable.

33 (4) The pooled money investment rate on funds advanced for
34 electric power purchases prior to the receipt of payment for those
35 purchases by the purchasing entity.

36 (5) Repayment to the General Fund of appropriations made to
37 the fund pursuant hereto or hereafter for purposes of this division,
38 appropriations made to the Department of Water Resources
39 Electric Power Fund, and General Fund moneys expended by the

department pursuant to the Governor's Emergency Proclamation dated January 17, 2001.

(6) The administrative costs of the department incurred in administering this division, if an amount for those costs has been appropriated by the Legislature.

(b) The department shall notify the commission of its revenue requirements pursuant to Section 80110.

~~SEC. 9.—~~

SEC. 8. Section 80200 of the Water Code is amended to read:

80200. (a) There is hereby established in the State Treasury the Department of Water Resources Electric Power Fund. Notwithstanding Section 13340 of the Government Code, all moneys in the fund are continuously appropriated, without regard to fiscal year, to the department, and shall be available for the purposes of this division. It is the intent of the Legislature that this fund be a continuation of the fund created in Chapter 3 of the Statutes of 2001 (SB 7 of the First 2001–02 Extraordinary Session).

(b) All revenues payable to the department under this division, including the net proceeds of bonds, shall be deposited in the fund, other than the revenues from the DWR Bond Set-Aside, which shall be deposited into the DWR Bond Repayment Fund. Notwithstanding any other provision of law, interest accruing on money in the fund shall remain in the fund and shall be used for the purposes of this division. Payments from the fund may be made only for the purposes authorized by this division, including, but not limited to, payments for any of the following:

(1) The cost of electric power and transmission, scheduling, and other related expenses incurred by the department.

(2) The pooled money investment rate on funds advanced for electric power purchases prior to the receipt of payment for those purchases by the purchasing entity.

(3) Payment of any bonds or of any other contractual obligations authorized by this division.

(4) Repayment to the General Fund of appropriations made to the fund pursuant hereto or hereafter for purposes of this division, appropriations made to the Department of Water Resources Electric Power Fund, and General Fund moneys expended by the department pursuant to the Governor's Emergency Proclamation

1 dated January 17, 2001. That repayment shall be made as soon as
2 practicable.

3 (c) Except as provided in subdivision (b) of Section 5 of the
4 statute adding this section, the administrative costs of the
5 department incurred in administering this division shall be
6 provided in the annual Budget Act, if an amount for those costs has
7 been appropriated by the Legislature.

8 (d) Obligations authorized by this division shall be payable
9 solely from the fund. Neither the full faith and credit nor the taxing
10 power of the state are or may be pledged for any payment under
11 any obligation authorized by this division.

12 (e) While any obligations of the department incurred under this
13 division remain outstanding and not fully performed or
14 discharged, the rights, powers, duties, and existence of the
15 department and the commission shall not be diminished or
16 impaired in any manner that will affect adversely the interests and
17 rights of the holders of or parties to such obligations. The
18 department may include this pledge and undertaking of the state
19 in the department's obligations.

20 ~~SEC. 10.—~~

21 *SEC. 9.* No reimbursement is required by this act pursuant to
22 Section 6 of Article XIII B of the California Constitution because
23 the only costs that may be incurred by a local agency or school
24 district will be incurred because this act creates a new crime or
25 infraction, eliminates a crime or infraction, or changes the penalty
26 for a crime or infraction, within the meaning of Section 17556 of
27 the Government Code, or changes the definition of a crime within
28 the meaning of Section 6 of Article XIII B of the California
29 Constitution.

30 ~~SEC. 11.—~~

31 *SEC. 10.* If this act becomes effective on or before the
32 effective date of Chapter 9 of the 2001–02 First Extraordinary
33 Session, then Sections ~~80130, 80132~~, 80132 and 80200 of the
34 Water Code, as amended by Chapter 9 of the 2001–02 First
35 Extraordinary Session shall not be operative.

36 If this act becomes effective after the effective date of Chapter
37 9 of the 2001–02 First Extraordinary Session, then the
38 amendments made to Sections ~~80130, 80132~~, 80132 and 80200
39 of the Water Code by this act shall prevail on the effective date of
40 this act, pursuant to Section 9605 of the Government Code.

~~SEC. 12.~~

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to assure the timely issuance of revenue bonds by the Department of Water Resources to provide for the repayment of funds advanced from the General Fund to pay for the purchase of electric power needed to protect the safety, health, and well-being of the people of California, it is necessary that this act take effect immediately.

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